REMARKS

This is in response to the Final Office Action mailed July 3, 2008, in which the Examiner rejected claims 1, 3-6, 10-12, 14-16, 18, 19 and 21-25. With this Amendment, Applicant has amended claims 12, 22, 24 and 24 and canceled claims 11 and 21. The amendments are either believed to place the application in condition for allowance or in better condition for appeal. Entry of the amendments and reconsideration of the application as amended is respectfully requested.

Specification Objection

In the Office Action, the Examiner objected to the specification as failing to provide support for claim 12 as previously presented. With this amendment, Applicant has amended claim 12 to eliminate the subject matter of claim 12 that caused the objection. Withdrawal of the objection is respectfully requested.

Claim Objections

In the Office Action, the Examiner objected to claims 5, 6, 11, 12, 15, 16, 18, 19, 21, 22, 24, and 25 due to various informalities. Each of the objections are addressed below with reference to the paragraph of the Office Action.

With regard to paragraphs 1 and 2, the Examiner indicated that Applicant had an option of combining groups of dependent claims. Applicant does not believe it is necessary to indicate what happens when "the adjustment value" is not positive or zero in claims 5, 15 and 18 or when "the adjustment value" is not negative or zero in claims 6, 16 or 19. Therefore, no amendments have been made.

With regard to paragraph 3, Applicant has canceled claims 11 and 21.

With regard to paragraph 4, Applicant has deleted the equation.

With regard to paragraph 5, Applicant has amended claims 22, 24 and 25 as suggested by the Examiner.

In light of the above, Applicant requests that the objections be withdrawn.

Claim Rejections – 35 U.S.C. §112

In the Office Action, the Examiner rejected claims 14-16 under 35 U.S.C. §112 as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Applicant has amended claim 12 to eliminate the formula for calculating "the adjustment value". As a result, claim 14 provides only one formula for calculating "the adjustment value". Therefore, Applicant believes that claim 14 satisfies 35 U.S.C. §112, second paragraph, and requests that the rejection be withdrawn.

Claim Rejections – 35 U.S.C. §103

In the Office Action, the Examiner rejected claims 1 and 10 under 35 U.S.C. §103(a) as being unpatentable over Marks (U.S. Patent No. 5,117,356) in view of Berger (U.S. Pub. No. 2005/0125251) and further in view of Umapathy (U.S. Pub. No. 2007/0011014). Applicant believes the rejections should be withdrawn for the reasons set forth below.

Applicant agrees with the Examiner's finding that "Mark ('356) does not explicitly disclose a) posting an inventory sales transaction to the general ledger that includes a record of a sale of a first quantity (x) of an item of an inventory on a first transaction date for a first amount, which is based on a first rate (w) for the item". Applicant further agrees with the Examiner's findings that the "actual date of the activity" (col. 6, line 41), "money amounts" (col. 6, line 26) and "posted" (col. 6, line 46) disclosed in Mark are not posted to the general ledger as provided in claim 1. As stated previously, each of the cited terms of Marks relates to a posting to a "temporary transactions journal data file 28 [that] contains transaction records of economic activities which have not been entered as permanent transaction records and have not been posted to the control general ledger file and to the relative subsidiary ledger files." (col. 6, lines 15-19). Further Applicant admits that the Background of the present application explains this very deficiency of prior art computerized accounting systems, as referenced by the Examiner.

The Examiner then cites Umapathy to disclose "that 'physical assets [in inventory accounting] are reduced . . . to a common denominator of a currency' that 'reflects the totality in dollar [value] terms' when '[goods] are **sold**' [paragraph 5, emphasis added]." The purpose of

Umapathy's representation of the physical assets as a common denominator of currency is to enable financial accounting to consolidate and arrange business transactions to reflect the totality in dollar terms (paragraph [0005]). This normalization of assets is unrelated to the posting an inventory sales transaction to a general ledger, as provided in claim1.

Accordingly, the Examiner has not found any reference, or combination of references, that disclose "posting an inventory sales transaction to the general ledger that includes a record of a sale of a first quantity (x) of an item of an inventory on a first transaction date for a first amount, which is based on a first rate (w) for the item", as provided in claim 1. Even so, the Examiner concluded that "it would have been obvious to one of ordinary skill in the art, at the time of Applicant's invention, to modify Marks ('356) to include the posting of an inventory sales transaction to the general ledger including a record of a sale of a first quantity on a first date for a first amount based on a first rate of an item" based on the cited references. Applicant respectfully disagrees.

One basis for this finding appears to be the Examiner's contention that "summary data is ordinarily posted". However, the cited references do not teach the posting of such "summary data" to the general ledger. Applicant believes that the Examiner is referring to the "posting" of summary data to the "temporary transactions journal data file 28" of Marks, which is not a general ledger. Based on this finding, the Examiner contends that "one of skill in the art would appreciate that further invoice type data could be posted as well if desired." However, such a finding is erroneous because the cited posting is not to the general ledger, as provided in claim 1.

The Examiner also states that "[u]ltimately, Marks ('356) and Umapathy ('014) support the posting of data when a sales transaction occurs". However, Applicant isn't broadly claiming the posting of sales transaction data to a temporary data file or other location. Rather, the claims contain specific limitations and relationships between elements and are specifically directed to postings to a general ledger rather than another type of data file. Thus, even if the references suggest the general idea of recording data in a file, they still fail to disclose "posting an inventory sales transaction to the general ledger that includes a record of a sale of a first quantity (x) of an

item of an inventory on a first transaction date for a first amount, which is based on a first rate (w) for the item", as provided in claim 1.

Applicant also agrees with the Examiner's finding that Marks "does not explicitly disclose b) posting an inventory purchase transaction to the general ledger, after the posting step a), that includes a record of a purchase of a second quantity (p) of the item on a second transaction date, which is before the first transaction date, at a second rate (r) for the item, which is different from the first rate (w)", as provided in claim 1. However, the Examiner found that Berger "contemplates both sales and purchase data when generating general ledger data" (citation omitted) and that Berger contemplates that rates will vary for items based on vendor (paragraph [0003]). The Examiner then claims that Applicant's disclosure in the Background of the present application, particularly page 3, line 28-page 4, line 7, would motivate one skilled in the art to modify Marks to "to include a subsequent posting of an inventory purchase transaction with a transaction date prior to an earlier posted inventory sales transaction", supposedly as provided in step b) of claim 1. Applicant cannot discern from the argument presented by the Examiner where the cited references and Applicant's Background of the present application teach all of the elements of step b) of claim 1 and why one would be motivated to modify Marks to perform the method step. Clarification of the disclosure of each element of step b) is respectfully requested.

Marks does not disclose any posting of sales or purchase transactions to a general ledger. Further, Applicant also disagrees with the Examiner's finding that "one would have been motivated to do so given that (1) 'transactions [may involve] a time lag for the information' leading to 'one party [taking] into account the effect of [an] event while the other would not have'.[Umapathy ('014), paragraph 18]". In particular, paragraph 18 of Umapathy is <u>unrelated</u> to the problem of inventory item valuation changes that occur as a result of the non-chronological posting of inventory sale and purchase transactions to a general ledger, as the Examiner appears to contend. Rather, the cited "time lag" corresponds to transactions between separate entities and the resultant discrepancies that exist within the accounting books of those separate entities, as opposed to discrepancies and, in particular, inventory valuation discrepancies, within an

accounting book of a single entity. Accordingly, Umapathy does not provide any motivation for modifying Marks to perform step b) of the method.

The Examiner also appears to contend that paragraph 5 of Berger et al. provides motivation to modify Marks to perform step b) of the method because it discloses the posting of inventory sales or purchase transactions to a general ledger at various times. Paragraph 5 of Berger et al. states:

> Many large business enterprises also have functionally separate divisions that nevertheless use the same information on a realtime basis. For example, accounting, sales, and inventory control organizations may use the same data records for transactions, but data transfers between these organizations are typically limited to daily or weekly updates because of limitations with known enterprise resource management systems.

It is unclear what the Examiner is contending based on this paragraph of Berger et al. The cited section of Berger et al. has no relation to postings to a general ledger. Rather, the cited section merely discusses data transfers between organizations. Clearly, the cited section is unrelated to the problem addressed by the method of claim 1, particularly problems arising from the posting of a first inventory transaction to the general ledger after the posting of a second inventory transaction to the general ledger where the first inventory transaction occurred before the second inventory transaction. Clarification is respectfully requested.

Accordingly, the cited references fail to disclose posting an inventory purchase transaction to the general ledger, after the posting step a), that includes a record of a purchase of a second quantity (p) of the item on a second transaction date, which is before the first transaction date, at a second rate (r) for the item, which is different from the first rate (w)", as provided in claim 1. The cited references also fail to disclose any motivation for making the modification.

Applicant also agrees with the Examiner's finding that "Marks does not explicitly disclose c) calculating an adjustment value corresponding to a change in the first amount due to a change in the first rate resulting from the inventory purchase transaction", as provided in claim 1. With regard to step c), the Examiner found paragraphs 18 and 19 of Umapathy to teach "that information lag can result in an 'apparent discrepancies . . . which needs to be reconciled'

[paragraphs 18-19]." However, as stated above, the cited section of Umapathy is unrelated to the particular "information lag" being addressed in claim 1. Rather, the cited section of Umapathy is only concerned with the lag between the accounting of transaction by separate parties which can result in discrepancies between the account books of the separate parties. The Examiner also found Berger et al. to disclose "[h]elper system [which] perform predetermined data processing functions [to implement] order and sales and purchase order functionality" [paragraph 44] as well as to "analy[ze] the general ledger data [and] allow[] journal entries to be made and revised" (citing paragraph [0065]). Even when one takes all of these findings together, they still fail to disclose "calculating an adjustment value corresponding to a change in the first amount due to a change in the first rate resulting from the inventory purchase transaction", as provided in claim 1, let alone provide the required motivation to modify Marks, which is unrelated to a computerized inventory accounting system, to form the invention of claim 1.

Applicant disagrees with the Examiner's finding that Marks discloses "d) posting a corrective transaction to the general ledger having the adjustment value", as provided in claim 1. The Examiner found step d) to be disclosed at col. 2, lines 1-4 of Marks, which teaches that manual bookkeeping systems effected changes or revisions through the posting of correcting entries. However, the cited manual bookkeeping corrective process of Marks is unrelated to a computerized inventory accounting system to which step d) relates. Moreover, Marks identifies that computerized accounting practices do not follow these manual bookkeeping corrective processes (col. 1, line 68-col. 2, line 6). Accordingly, not only does Marks fail to disclose step d), Marks also teaches away from performing step d) of claim 1.

For at least the reasons discussed above, Applicant submits that claim 1 is non-obvious in view of the cited references. Withdrawal of the rejection is respectfully requested.

As stated in the response filed April 15, 2008, Applicant agrees with the Examiner's finding that Marks does not disclose the posting of a system date to the general ledger corresponding to the date the inventory purchase transaction was posted to the general ledger, as

provided in claim 10. Also in the response filed April 15, 2008, Applicant rebutted the findings of the Examiner regarding col. 6, lines 44-47.

In particular, the cited section of Marks is unrelated to a date that an inventory purchase transaction is posted to the general ledger. Rather, the date referred to in the cited section of Marks relates to the date when the field TT5, TT6 and TT7 are posted and updated by the system. The fields TT5, TT6 and TT7 "store record labels from the control general ledger file 22, the obligation due subsidiary ledger file 24, and the discretionary subsidiary ledger file 26 which may be undated by the transaction record identified in field TT1." (col. 6, lines 37-41). Accordingly, Marks does not disclose "posting a system date to the general ledger corresponding to a date that the inventory purchase transaction was posted to the general ledger", as provided in claim 10.

In the present Office Action the Examiner states that "[a]lthough posting of a 'system date to the general ledger' may not be explicitly disclosed, surely one could place such information in the general ledger if desired. However, this reliance on Applicant's disclosure to discern the "obviousness" of Applicant's invention is clearly improper.

One requirement of a *prima facie* case of obviousness is that all of the limitations set forth in the claim must be shown in one or more references. The cited references fail to disclose all of the claimed elements. Accordingly, a *prima facie* case of obviousness has not been established against claim 10. Withdrawal of the rejection is respectfully requested.

In the Office Action, the Examiner rejected claims 3-6, 11, 12, 14-16, 18, 19 and 21 under 35 U.S.C. §103(a) as being unpatentable over Marks (U.S. Patent No. 5,117,356) in view of Berger (U.S. Pub. No. 2005/0125251) in view of Umapathy (U.S. Pub. No. 2007/0011014), as applied in Claim 1, and further in view of Official Notice. Applicant believes the rejections should be withdrawn for the reasons set forth below.

Claims 3-6 and 11 are believed to be allowable at least for the reasons set forth above with regard to claim 1, from which they depend. Additional grounds for withdrawing the rejections of claims 3 and 4 are provided below.

With regard to claim 3, the Examiner found that Marks does not specifically disclose "wherein the first quantity (x) is greater than an in-stock quantity of the items when the inventory sales transaction was posted to the general ledger", as provided in claim 3. However, the Examiner states that "Official Notice is taken that it is old and well established that in-stock quantities are commonly lower than the quantity of items sold in a sales transaction. As such, it would have been obvious . . . to modify Marks ('356) to include the possibility of in-stock quantities of an item being less than a first quantity of the item being sold at the time of sale. One would have been motivated to do so given the reality of back ordering and the principals of supply and demand in the business world." Applicant respectfully disagrees with the rejection.

In particular, Marks is unrelated to a computerized inventory accounting system, to which the method of claim 3 is directed. Also, neither Marks nor Umapathy disclose the steps of independent claim 1, as discussed above. Therefore, the mere assertion that in-stock quantities are commonly lower than the quantity of items sold in a sales transaction, fails to correct the deficiencies of the cited references. That is, even if one accepts the Examiner's argument that those skilled in the art would be motivated (outside of Applicant's disclosure) to form the invention of claim 3, a *prima facie* case of obviousness has not been established against the claim because the cited references fail to disclose all of the claimed elements. Accordingly, claim 3 is non-obvious in view of the Official Notice and cited references.

Applicant agrees with the Examiner's finding that the cited references do not disclose the subject matter of claim 4. Even if one accepts the Examiner's argument that those skilled in the art would be motivated (outside of Applicant's disclosure) to form the application of claim 4, the Examiner still has not established a *prima facie* case of obviousness against the claim because the cited references fail to disclose all of the elements of claim 4. Accordingly, Applicant requests that the rejection be withdrawn.

Applicant believes that claim 12 is non-obvious in view of the cited references at least for the reasons set forth above with regard to claims 1, 10 and 4, In particular, the cited references, taken either alone or in combination, fail to disclose all of the steps a)-e) of claim 12. Withdrawal

of the rejection is respectfully requested. Claims 14-16, 18, 19 and 21 are believed to be allowable at least for the reasons set forth above with regard to claim 12.

In the Office Action, the Examiner rejected claim 22 under 35 U.S.C. §103(a) as being unpatentable over Marks (U.S. Patent No. 5,117,356) in view of Berger (U.S. Pub. No. 2005/0125251) in view of Umapathy (U.S. Pub. No. 2007/0011014), as applied in Claim 1, in view of Non-Patent Literature document entitled "In the Black: Real Accounting, Real Easy—Really?" and further in view of Hoffman et al. (U.S. Pub. No. 2002/0111891). Applicant believes the rejection should be withdrawn for the reasons set forth below.

Claim 22 provides "posting a nullifying inventory transaction having the original amount to the general ledger such that is nullifies the original inventory transaction posting." Applicant disagrees with the Examiner's finding the Marks discloses the "posting of correcting entries" in a computerized inventory accounting system with concern for the erasure or deletion of the original entry, at col. 2, lines 4-6. Rather, Marks discloses that such separate correction entries are <u>not applied</u> in computerized accounting systems.

The cited references also fail to disclose "posting a new inventory transaction to the general ledger having a second amount that is different from the first amount, whereby the new inventory transaction posting corresponds to a modified version of the original inventory transaction posting", as provide in claim 22.

Additionally, cited Paragraph 52 of Hoffman et al. is unrelated to a computerized inventory accounting system. Rather, the cited section of Hoffman et al. discloses a secondary process that is performed on selected posted journal entries in order to generate new journal entries for a specific set of account balances. This secondary process is described as being useful in forming "a ledger from the journal entries in a subledger account that currently reflect the net present value of two hedged and hedging instruments." Thus, the cited section is unrelated to the inventory accounting system of claim 22. More importantly, the "secondary process" of Hoffman et al. is not used in a computerized inventory accounting system or for "posting a new inventory transaction", as provide in claim 22.

Claim 22 is, therefore, non-obvious in view of the cited references because the cited references, either alone or in combination, fail to teach all of the claimed elements. Accordingly, Applicant requests that the rejection of claim 22 be withdrawn.

In the Office Action, the Examiner rejected claims 23-25 under 35 U.S.C. §103(a) as being unpatentable over Marks (U.S. Patent No. 5,117,356) in view of Berger (U.S. Pub. No. 2005/0125251) in view of Umapathy (U.S. Pub. No. 2007/0011014) in view of Non-Patent Literature document entitled "In the Black: Real Accounting, Real Easy—Really?" and further in view of Hoffman et al. (U.S. Pub. No. 2002/0111891) as applied in claim 22, and further in view of Official Notice. Applicant believes that claims 23-25 are allowable in view of the cited references at least for the reasons set forth above with regard to claim 22. Therefore, Applicant requests that the rejections be withdrawn.

Conclusion

Applicant respectfully believes that the application, as amended, is in condition for allowance. Reconsideration and allowance of the application is respectfully requested.

The Director is authorized to charge any fee deficiency required by this paper or credit any overpayment to Deposit Account No. 23-1123.

Respectfully submitted,

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